Resume of proposed research work

"AN ANALYTICAL STUDY OF TRUST AND PERCEIVED RISK IN ONLINE SHOPPING IN MARATHWADA REGION"

Submitted to

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"AN ANALYTICAL STUDY OF TRUST AND PERCEIVED RISK IN ONLINE SHOPPING IN MARATHWADA REGION"

Introduction:

Online shopping was invented and pioneered by Michael Aldrich in the UK and is gaining grounds in India also. Online shopping is far better than traditional shopping as everything is available to us at our door step just with the availability of internet. Consumers need not to go to crowded markets, standing in queues and spending hours searching for apropos purchases. Online shopping is beneficial not only for buyers but also sellers, as they get detailed information about the product pinned together with the reviews of existing users. Online shopping is like a web-mart where all the goods are available. Online shopping portal provides us with benefits to shop every item extending from minor purchases of books, grocery, clothing, footwear etc. to that of major supplies like furniture, electronics, cars, residential buildings etc. Online shopping portals are witnessing a whopping 200% growth in the sale of electronic items every year. This is driven by the demands like mobile phones, iPods and MP3 players not only from metros but also from small cities. Some Online Shopping portals in India are www. Homeshop18.com, www.flipkart.com, www.yebhi.com, www.myntra.com.American online retail giant Amazon.com has also made an entry into the Indian market in 2012 with Junglee.com, an online shopping site.

Shopping People like to buy things from web-marts (Online stores) rather than virtual markets because of their hectic routines. Here are some reasons how online shopping is taking place of virtual shopping. Ease and convenience in shopping as it is available24*7 access. The key benefit people get is increased variety. Online shopping sites contain wide variety of goods both high-quality and mild-quality keeping in mind the level of people. The consumers can get full information about the product with its reviews being posted by existing users. Personal circumstances had made people to rely more on the internet. These factors help to underline the benefit of the internet, as well as how some come to rely on it. Poor choice of local shops and Non availability of the transport facility. Now-a-days lifestyle is so busy that people are unable to go to crowded markets so E-shopping is a boon as it saves a lot of time. Now if one wants to buy a product, he/she is no longer limited to asking his/her friends and families because there are many product reviews on the Web which give opinions of existing users of the product. Online stores provide consumers with lots of new schemes and discounts

on different range of purchases. Online shoppers commonly use credit card or PayPal account in order to make payments. Some other use Cash on Delivery, Debit Card, Online e-Payment, Mobile Payments, Bank Transfer. According to the reviews by Dr. Anukrati Sharma the basic mode of payment used is cash on delivery (COD) as it is secure.

Online trust refers to "consumers trust directed towards e-commerce web sites or merchants on the Internet and only applies to Business – to Consumer (B2C) ecommerce transactions". Trust in context of Internet or Online shopping is defined as "the belief that the Internet shopper has in an Internet merchant and is willing to engage in an Internet shopping transaction, even with the possibility of loss, based on the expectation that the merchant will engage in generally acceptable practices, and will be able to deliver the promised products or services".

Perceived risk is defined as "the nature and amount of uncertainty perceived by consumers in completing particular purchase decision. Two elements, uncertainty and consequences may play a significant role in perceived risk8. Difficulty of identifying buying goals and matching these goals with product or brand offerings leads to uncertainty. Consequence is associated with performance (whether products perform as expected) and psychological goals (what will others think of me). In the online context, perceived risk is defined as "the expectation of any loss or any negative consequences as a result of online shopping".

Importance of the study:

The literature review has revealed that most of the studies have mainly concentrated on trust and risk independently. There have been hardly any studies which take into account the relationship between perceived risk and trust. Since the concept of trust is intimately related to (and often confused with) the concept of risk, an understanding of trust that does not examine its relationships with risk is incomplete. Whether and how trust affects perceived risk (or vice versa) in the Internet shopping context is still very much an open issue. Moreover, on detailed search the researchers have not found any substantial literature available in the Indian context delving on perceived risk and the various components of the same. From literature

study it can be seen that all these studies have been done in non –Indian context. Through this research, the researchers expect to find the different ways in which shoppers perceive risk, which is understood as a function of culture, in Indian context. Moreover the relationship between intension to shop and perceived risk will also be studied i.e. in what product categories people intend to spend more and how much amount they intend to spend.

Under the above context, I realize the need for an extensive and intensive study to analysis the study of relationship between perceived risk and trust and their interactions.

Statement of the Research Problem:

The growth of Internet and its user base in recent years has been truly phenomenal. Despite the phenomenal growth of the Internet over the past few years, the vast potential of conducting business over the Internet remains largely untapped. This study is designed to provide suggestions to online marketers and e-vendors regarding barriers to online shopping. There are several questions that need to be answered so that internet users do online shopping without any risk fear or lack of trust. Moreover demographic characteristics like income and education are also anticipated to influence online purchase decision. This study was undertaken to provide solution to the above mentioned problems.

Objectives of the study:

1. To Know whether and how trust affects perceived risk in the online shopping context and vice versa.
2. To find out the different perceived risks involved in online shopping in Indian context.
3. To understand elements of each perceived risk in online shopping.
4. To understand risk perceptions in conventional shopping versus online shopping.
5. To determine in what product categories people intend to spend more in case of online shopping.
6. To find out reasons for reluctance to online shopping.

Hypothesis of the study:

Considering the above objectives the following hypothesis was tested

1. There is no any association between Income level of customers and trust in online shopping.
2. Education level of customers and trust in online shopping are independent.
3. Shopping convenience in online shopping does not attract younger and older customers.
4. The nature of product does not affect the acceptance of online shopping.

Research Methodology:

1. **Sample Design**

Data are the base for each research, without data any research cannot be started. The present research work confines itself to an in-depth analysis of various aspects of Online Shopping truth and Perceived Risk while Online Shopping. The study is based on primary data in particular and secondary data in general.

2. **Primary Data**

Primary data are collected through questionnaire, supported by personal interview and discussion with the sample size 400 consumers throughout the region.

3. **Secondary data**

Secondary data are collected by referring to books, journals, magazines, research papers, articles and websites.

4. **Statistical Tools**

Collected data will be tabulated and analyzed by using various statistical tools like co-relation, factor tests like t, z, f tests etc. Whenever necessary Graphs & charts will be used for presentation of data.

Scope & Limitations of the Study:

Every research has some limitations & drawbacks. The proposed research deals with the consumer behavior while online shopping. The geographical limits for present research are the boundaries of Marathwada region for the Research. It is undertaken with a broad view of making an in-depth study of the impact of Trust and Perceived Risk in Online Shopping. It is useful for the customers, companies and middle man's for the exercise of online shopping & development policies for the safe and secured online shopping.

Chapterization Scheme:

1st chapter:	Introduction
2nd chapter:	Profile of Online Shopping: A Conceptual Framework
3rd chapter:	Profile of Marathwada Region
4th chapter:	Review of Literature
5th chapter:	Research Methodology
6th chapter:	Data Analysis & Interpretation
7th chapter:	Findings, Conclusions & Suggestions
Appendix:	Bibliography, Questionnaire.

Research Guide

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